

# LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION

MICHAEL A. JIMENEZ  
President

MAHESH PAREKH  
Vice President

BONDIE O. GAMBRELL  
Secretary - Treasurer

ROBERT E. BUSH  
Director

Director

Khanh Nguyen  
Martha Littlefield  
Ken Wales  
Assistant Secretaries



## MINUTES

### JANUARY 27, 2004 MEETING

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 140  
Executive Conference Room  
Los Angeles, CA 90012

### PRESENT

Michael Jimenez, Vice President  
Robert E. Bush, Director  
Mahesh P. Parekh, Director

### CALL TO ORDER

Vice President Jimenez called the meeting to order at 10:20 a.m.

### APPROVAL OF MINUTES

On motion of Director Parekh, seconded by Director Bush, the October 30, 2002 minutes were unanimously approved.

### ELECTION OF OFFICERS

On motion of Director Bush, seconded by Director Parekh, the Corporation unanimously elected Michael Jimenez as President.

On motion of Director Bush, seconded by Director Parekh, the Corporation unanimously elected Mahesh Parekh as Vice President.

On motion of Director Bush, seconded by Director Parekh, the Corporation unanimously elected Bondie O. Gambrell as Secretary-Treasurer.

### RECEIVE AND FILE AUDIT REPORTS FOR FISCAL YEARS ENDING JUNE 30, 2002 AND JUNE 30, 2003

Director Bush thanked Walter Barrington, Denis Whann and Fred Go from the Auditor-Controller for all of their work in assisting in the preparation of the audit reports.

On motion of Director Parekh, seconded by Director Bush, the Corporation unanimously approved receiving and filing the audit reports.

### ADOPT RESOLUTION AUTHORIZING THE LEASING OF CERTAIN PROPERTY AND THE EXECUTION AND DELIVERY OF AN INDENTURE, A LEASE AGREEMENT, AN OFFICIAL NOTICE INVITING BIDS, AND BID FORM IN CONNECTION WITH THE ISSUANCE OF NOT-TO-EXCEED \$16,000,000 IN LEASE REVENUE BONDS, (LACAL EQUIPMENT PROGRAM 2004 SERIES A), AND OTHER RELATED MATTERS

Glenn Byers discussed the periodic redemption and retirement of temporary notes in \$5 million increments used to purchase equipment for the County. The consolidation of these notes into medium term (not to exceed five years, coinciding with the life of equipment being financed) lease revenue bonds is a cost saving strategy. Staff expects interest rates will be below four

percent but have a cap of five percent.

Walter Barrington reported that the funds will be used for purchase of medical equipment for the hospitals, computer for the internal Services Department and vehicles for the Sheriff's Department.

On motion of Director Bush, seconded by Director Parekh, the Corporation unanimously approved the issuance of the bond measure.

**ADOPT THE LEASE TERMINATION AGREEMENT FOR LAC+USC GRADUATE HALL, LOS VERDES GOLF COURSE AND LOS AMIGOS GOLF COURSE FOR THE ADMINISTRATIVE PURPOSE OF CLEARING TITLE TO THESE SITES AS THEY HAVE BEEN PREVIOUSLY REMOVED BY THE LAC-CAL CORPORATION FROM THE TAX-EXEMPT COMMERCIAL PAPER PROGRAM**

These sites were all part of the original commercial paper program instituted in 1997 by the Board of Supervisors to ensure old BANs are paid off within a ten year period. Currently, the County has \$58 million of \$196 million in outstanding BANs. In March, the County plans to pay off \$20 million and estimates the BANs will be completely paid off in two years.

The construction of LAC+USC Medical Center was anticipated to be five years and if it was done with conventional financing would require capitalized interest for five years dramatically increasing the cost of the project so the commercial paper program was used to pay for costs as they are incurred. Also, variable interest rates on commercial paper are very low, currently about 1.0% with total costs about 1.4%.

Currently, the Treasurer Tax Collector has \$107 million in financing on the Medical Center. Last year the Treasurer Tax Collector requested an increase in the letter of credit to cover the whole project. A FEMA grant from the Northridge earthquake will pay for part of the project and the Chief Administrative Office and the Department of Public Works determined the remaining need to be \$330 million. The properties substituted to affect the increases included the removal of Graduate Hall and the two golf courses and the inclusion of the Los Angeles County Courthouse.

On motion of Director Parekh, seconded by Director Bush, the Corporation unanimously approved the adoption of the lease termination agreement.

**ADDITIONAL MATTERS NOT POSTED ON THE AGENDA (TO BE PRESENTED AND PLACED ON A FUTURE AGENDA).**

There were none.

**PUBLIC COMMENT**

There were none.

**ADJOURNMENT**

The meeting was adjourned at 10:35 a.m.

**ATTENDANCE**

Walter Barrington, Auditor-Controller  
Barbara Harshaw, Auditor-Controller  
Fred Go, Auditor-Controller  
Denis Whann, Auditor-Controller  
Gene Romig, Board of Supervisors  
Martha Littlefield, Board of Supervisors

Glenn Byers, Treasurer and Tax Collector  
Teresa Gee, Treasurer and Tax Collector  
John Wong, Treasurer and Tax Collector  
Bill Yuen, Treasurer and Tax Collector  
Manuel Valenzuela, County Counsel